

Message Text

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ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00

INRE-00 SP-02 AID-05 EB-08 NSC-05 TRSE-00 SS-15

STR-04 OMB-01 CEA-01 L-03 H-01 PA-01 PRS-01

CIAE-00 COME-00 FRB-03 INR-07 IO-13 NEA-10

NSAE-00 OPIC-03 LAB-04 SIL-01 AGRE-00 /108 W

-----301818Z 060432 /53

O R 301721Z MAR 77

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 9469

USMISSION OECD PARIS IMMEDIATE

INFO AMEMBASSY ATHENS

AMEMBASSY ANKARA

AMEMBASSY BONN

AMEMBASSY BERN

AMEMBASSY COPENHAGEN

AMEMBASSY CANBERRA

AMEMBASSY DUBLIN

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY ROME

AMEMBASSY REYKJAVIK

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY THE HAGUE

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

USMISSION EC BRUSSELS

C O N F I D E N T I A L BRUSSELS 3147

E.O.11652: GDS

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TAGS: EINV OECD BE

SUBJECT: BADGER CASE AND OECD CONSULTATIONS

REF: STATE 067746

1. I SAW EYSKENS TODAY AND PRESENTED THE U.S. VIEWS ON THE
BADGER PROBLEM AND OECD CONSULTATIONS, EMPHASIZING THE DE-

SIRABILITY OF TRYING TO WORK OUT A PRAGMATIC SOLUTION, AVOIDING ACCUSATIONS IN THE PRESS, AND FOCUSING OECD CONSULTATIONS ON GENERAL ISSUES RATHER THAN THE SPECIFICS OF THE BADGER DISPUTE.

2. EYSKENS SAID THAT HE WAS SEARCHING FOR A COMPROMISE SOLUTION. HE IS TRYING TO REDUCE THE TOTAL CLAIM AGAINST BADGER. HE HOPES TO ELIMINATE OR REDUCE THE CLAIMS OF FORMER BADGER EMPLOYEES WHO HAVE FOUND OTHER EMPLOYMENT. HE IS ALSO EXAMINING THE LEGALITY OF DEDUCTING SOCIAL SECURITY PAYMENTS FROM THE AMOUNT BEING ASKED FROM BADGER. IF THESE TWO EFFORTS BEAR FRUIT, EYSKENS ESTIMATES THAT THE TOTAL CLAIM AGAINST BADGER COULD BE REDUCED BY ABOUT 30 PERCENT. THIS WOULD HELP BRIDGE THE GAP BETWEEN THE WORKERS' CLAIM OF APPROXIMATELY 250 MILLION FRANCS AND THE FIGURE BADGER IS WILLING TO PAY -- ABOUT 100 MILLION FRANCS, HE SAID.

3. EYSKENS STRESSED THE IMPORTANCE OF BADGER ALSO MOVING TOWARD A COMPROMISE. EYSKENS ENVISAGES THE FINAL SETTLEMENT AS BEING SOMEWHERE IN THE MIDDLE. OTHERWISE, THIS CASE COULD TURN NASTY, HE SAID. HE TOLD ME THAT A CRIMINAL CASE IS BEING DEVELOPED THAT WOULD CHARGE THE BADGER MANAGEMENT WITH FRAUDULENT BANKRUPTCY. HE HOPED THAT THE PROBLEM WOULD BE SETTLED SATISFACTORILY BEFORE SUCH A CASE IS BROUGHT TO COURT.

4. ON THE OECD CONSULTATIONS, EYSKENS SAID HE UNDERSTOOD THE U.S. POSITION AND WOULD TAKE IT INTO ACCOUNT AT THE MEETING IN PARIS TOMORROW. HOWEVER, HE WANTED TO KEEP THE PRESSURE ON BADGER AND WOULD NOT BE ABLE TO ACCOMMODATE THE U.S. FULLY.

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5. EYSKENS SAID THAT BELGIAN PRESS AND TV WOULD BE IN PARIS TOMORROW TO COVER THE OECD CONSULTATIONS. IT WOULD NOT BE POSSIBLE FOR HIM TO AVOID TALKING TO THEM. HOWEVER, HE AGREED TO AVOID PUBLIC ACCUSATIONS AND TO BE OBJECTIVE AND FACTUAL IN HIS REPORT TO THEM.

6. EYSKENS IS IN THE MIDDLE OF A POLITICAL CAMPAIGN AND SEES THIS ISSUE AS AN OPPORTUNITY TO BE A HERO. HOWEVER, HE IS A SENSIBLE MAN AND SHOULD BE RESPONSIBLE, EVEN IN FULL CHARGE ON THE CAMPAIGN TRAIL. RENNER

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Disposition Approved on Date:
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Disposition History: n/a
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Disposition Remarks:
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